Federal Communications Commission 45 L St., N.E. Washington, D.C. 20554

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> DA 20-1309 November 4, 2020

## DOMESTIC SECTION 214 APPLICATION FILED FOR THE ACQUISITITION OF CERTAIN ASSETS OF LIBERTY COMMUNICATIONS OF PUERTO RICO LLC BY WORLDNET TELECOMMUNICATIONS INC.

## STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 20-351

Comments Due: November 18, 2020

Reply Comments Due: November 25, 2020

By this Public Notice, the Wireline Competition Bureau (Bureau) seeks comment from interested parties on an application<sup>1</sup> filed by Liberty Communications of Puerto Rico LLC (LCPR) and WorldNet Telecommunications Inc. (WorldNet) (collectively, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission's rules, requesting approval for the transfer of certain fiber optic network assets (Network Assets) and retail business customer service agreements (Service Agreements) (together, Assets) from LCPR to WorldNet.<sup>2</sup>

Applicants state that they are filing the Application in connection with the asset divestiture requirements contained in the October 23, 2020 Asset Preservation Stipulation and Order and Proposed Final Judgment filed by U.S. Department of Justice (DOJ) with the U.S. District Court for the District of Columbia (DOJ Order and Final Judgment).<sup>3</sup> The DOJ Order and Final Judgment address an asset

<sup>&</sup>lt;sup>1</sup> Liberty Communications of Puerto Rico LLC and WorldNet Telecommunications Inc., Domestic Section 214 Authorization Joint Application, WC Docket No. 20-351 (filed Oct. 28, 2020) (Application). Applicants filed a supplement to their Application on November 2, 2020. *See* Letter from Nicholas G. Alexander, Counsel to WorldNet, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 20-351 (filed Nov. 2, 2020) (Supplement Letter).

<sup>&</sup>lt;sup>2</sup> See 47 U.S.C. § 214; 47 CFR §§ 63.03-04.

<sup>&</sup>lt;sup>3</sup> United States v. Liberty Latin America Ltd., Liberty Communications of Puerto Rico LLC and AT&T Inc., Case 1:20-cv-03064, Proposed Final Judgement and Asset Preservation Stipulation and Order (D.D.C. Oct. 23, 2020), <a href="https://www.justice.gov/atr/case/us-v-liberty-latin-america-ltd-et-al">https://www.justice.gov/atr/case/us-v-liberty-latin-america-ltd-et-al</a>. In a related October 23, 2020 Press Release, DOJ explained that "[U]nder the terms of the proposed settlement, Liberty [Liberty Latin America Ltd.], LCPR, and AT&T must divest certain wireline telecommunications assets and customer accounts in Puerto Rico to WorldNet or to an alternative purchaser approved by the United States. Specifically, the settlement requires the sale of (a) the fiber-based Columbus network in the metropolitan San Juan area that Liberty acquired as part of its purchase of Cable & Wireless Communications in 2016; (b) additional fiber assets, including fiber facilities and indefeasible rights of use, on Liberty's network across the rest of the island; (c) retail fiber-based enterprise customer accounts served by Liberty today, with limited exceptions; (d) the right to pull fiber through Liberty's conduit and attach fiber

divestiture by LCPR to WorldNet required by DOJ in connection with its review of a transaction in which Liberty Communications PR Holding LP (formerly known as Leo Cable LP), a subsidiary of LCPR's parent company, Liberty Latin America Ltd. (LLA), acquired AT&T Inc.'s (AT&T) wireless and wireline assets in Puerto Rico and the U.S. Virgin Islands (the LLA/AT&T Transaction). 4

LCPR, a Puerto Rico limited liability company, provides competitive telecommunications services, broadband Internet service, and video services in Puerto Rico. Columbus Networks of Puerto Rico LLC (CNPR), a wholly-owned subsidiary of LCPR created specifically for the purposes of the proposed transaction, is a Puerto Rico limited liability company to which LCPR contributed the Assets. LCPR states that the Assets are associated with its provision of "fiber optic wireline Internet, interconnected Voice over Internet Protocol (VoIP), bandwidth and other network services, private data and data center services to retail business customers in Puerto Rico." LCPR is an indirect, wholly owned subsidiary of LLA, a publicly traded Bermuda company that provides communications and entertainment services in Chile, Puerto Rico, the Caribbean, and other parts of Latin America.

WorldNet, a Puerto Rico corporation, provides competitive local and long-distance voice service, broadband transmission, and Internet service to retail business customers and residential customers in Puerto Rico. Applicants state that the fiber assets WorldNet is acquiring from LCPR do not significantly overlap with WorldNet's existing fiber footprint, and that WorldNet's "expanded access to island-wide fiber will provide WorldNet fiber-based access to more than 1,500 new business customers located in San Juan and island-wide." WorldNet is owned by the following U.S citizens: David Bogaty (50%) and Vangie Bogaty (50%).

Pursuant to the terms of the proposed transaction, WorldNet will purchase all of LCPR's membership interests in CNPR. Following consummation, WorldNet will provide services pursuant to the Service Agreements. Applicants state that the proposed transaction will not result in the transfer or assignment of any licenses or authorizations.

Applicants request streamlined treatment of the proposed transaction under the Commission's rules and assert that a grant of the application would serve the public interest, convenience, and necessity. We accept the Application for filing under section 63.03(b)(2)(i) of the Commission's rules.<sup>7</sup>

to Liberty's telephone poles; and (e) an option to purchase segments of AT&T's aerial fiber-based core network." Press Release, DOJ, Justice Department Divestiture In Order For Liberty Latin America To Acquire AT&T's Telecommunications Operations In Puerto Rico And The U.S. Virgin Islands (Oct. 23, 2020), <a href="https://www.justice.gov/opa/pr/justice-department-requires-divestiture-order-liberty-latin-america-acquire-atts.">https://www.justice.gov/opa/pr/justice-department-requires-divestiture-order-liberty-latin-america-acquire-atts.</a>

<sup>&</sup>lt;sup>4</sup> On October 27, 2020, the Bureau, along with the International Bureau and the Wireless Telecommunications Bureau, approved the LLA/AT&T Transaction. *Applications of Liberty Latin America Ltd. And AT&T Inc. for Consent to the Transfer of Control of the Licenses, Authorizations, and Spectrum Lease Held by AT&T Mobility Puerto Rico Inc. and AT&T Mobility USVI Inc. to Liberty Latin America Ltd.*, WT Docket No. 19-384, Memorandum Opinion and Order and Declaratory Ruling, DA 20-1270 (WTB/WCB/IB Oct. 27, 2020). On October 31, 2020, LLA and AT&T consummated the transaction. Letter from Robert L. Hoegle, Attorney for LLA, to Marlene H. Dortch, Secretary, FCC, WT Docket No. 19-384 (filed Nov. 2, 2020).

<sup>&</sup>lt;sup>5</sup> Application at 1-2.

<sup>&</sup>lt;sup>6</sup> Supplement Letter at 1.

<sup>&</sup>lt;sup>7</sup> 47 CFR § 63.03(b)(2)(i).

Domestic Section 214 Application Filed for the Acquisition of Certain Assets of Liberty Communications of Puerto Rico LLC by WorldNet Telecommunications Inc., WC Docket No. 20-351 (filed Oct. 28, 2020).

## **GENERAL INFORMATION**

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to section 63.03(a) of the Commission's rules, 47 CFR § 63.03(a), interested parties may file comments **on or before November 18, 2020**, and reply comments **on or before November 25, 2020**. Pursuant to section 63.52 of the Commission's rules, 47 CFR § 63.52, commenters must serve a copy of comments on the Applicants no later than the above comment filing date. Unless otherwise notified by the Commission, the Applicants may transfer control on the 31st day after the date of this notice.

Pursuant to section 63.03 of the Commission's rules, 47 CFR § 63.03, parties to this proceeding should file any documents using the Commission's Electronic Comment Filing System (ECFS): http://apps.fcc.gov/ecfs/.

## In addition, e-mail one copy of each pleading to each of the following:

- 1) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, tracey.wilson@fcc.gov;
- 2) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, dennis.johnson@fcc.gov; and
- 3) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at (202) 418-0530 (voice), 1-888-835-5322 (tty).

The proceeding in this Notice shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules. Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b), 47 CFR § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

To allow the Commission to consider fully all substantive issues regarding the application in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their

initial filings. New issues may not be raised in responses or replies.<sup>8</sup> A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

For further information, please contact Tracey Wilson at (202) 418-1394 or Dennis Johnson at (202) 418-0809.

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<sup>&</sup>lt;sup>8</sup> See 47 CFR § 1.45(c).